Managing Technology Investments

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Genworth's Focus

Help Individuals Succeed Financially in a World of Shifting Burdens

Home Ownership	Protection	Retirement Income
Begin Building Equity…Sooner	**Financial Safety Net**	**Paycheck People Can't Outlive**

History

1993	**First of 15 Key Business Acquisitions**
1996	**Current Senior Leadership Team in Place**
1997	**Started Unifying Operating Platform**
2000	**Added Mortgage Insurance**
2004	**Successfully Executed Our IPO**

Quantified Context

15+MM Customers

Operations in 26 Countries

~1000 Technology Professionals

- 50% Employees
- 50% Contractors

~$300MM Annual Technology Expenditure

50-75 Significant Active Programs

Technology Investment Process

Technology Investments = Asset Portfolio
Focus on Return on Invested Capital

Capital Planning → **Program Approval** → **Execution** → **Benefits Fulfillment**

- Sources & Uses

- Feasibility
- Funding Approval

- Milestones
- Interventions

- Lessons Learned

2004 Results

86% On Time & On Budget (Vs. 34% Industry Rate [1])
Average Payback Less Than 2 Years

[1] **Standish Report**

Critical Investment Management Tools
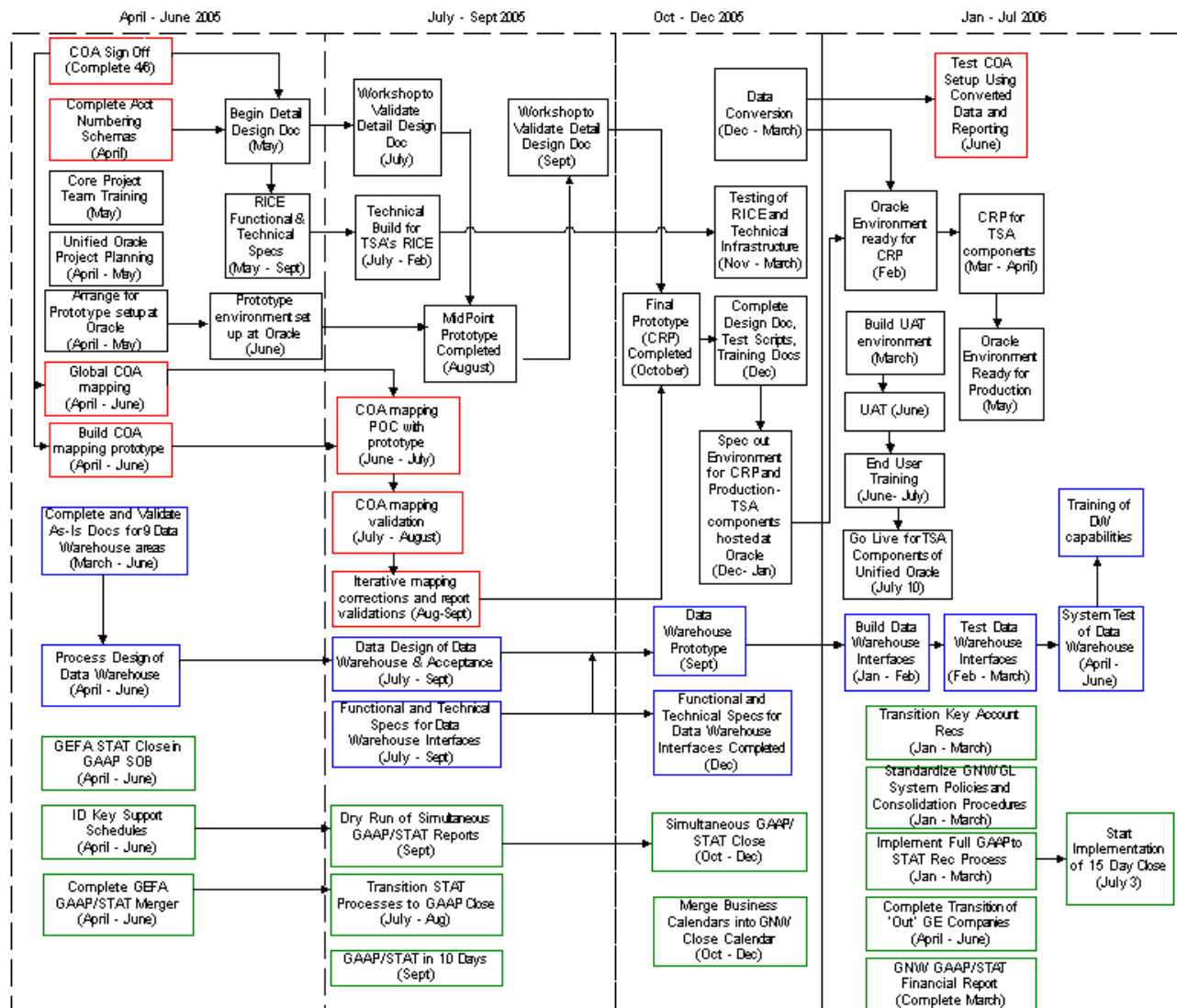
Program Feasibility and Approval Templates

Cost Benefit Analysis Tool

Program Review Process

Program 360° Process

Operations and Benefit Reviews

Genworth Financial

Best Practice - Flow Chart Milestones

Best Practice - Develop Tools Experts

Experts + Tools → **Clear Purpose**

Driving Industry Leading Execution

+

Championing Process Disciplines

Team Composition

Senior Resources Drive Strategy and Leadership

Mid-career Resources Drive Delivery

Technical Resources Contribute Analytical Expertise

Toolkits

Operating Processes
– LEAN
– Sarbanes-Oxley
– Debrief

Improving Processes
– Workout
– Change Acceleration Process
– Six Sigma
– Integration

Building Processes
– Six Sigma
– Innovation

Mission

Understand the Tools

Match Tools to Needs
– Eliminate Waste

Coach Associates

Deliver Efficient and Effective Execution

Program Spend Committee

Template
February 2006

Program Title

These bullets should list what you are seeking approval for… examples follow:

- **"$x budget to provide e-mail capability for…**
  - \# x of total spend is for … (indicate "external" spend such as consultants, hardware, software, etc.)
  - $ y of total spend is for . . . (indicate "internal" spend for resources)
  - Sets standard for . . .
- **Approval for pilot to prove…**
- **A tool change from _____ to _____**

Senior Sponsor: Xxxxxx Xxxxxxxxxx
Program Leaders: (i.e., Business, IT, Quality, etc.)
Prepared for: Program Spend Committee
Date: XXXXXXXXX

Program Title

Business Case/Objective	Success Metrics

Business Case/Objective

- **What is the program, why should we do it?**
  - Business reasons for this program
  - Business' goals for this program
- **Processes Being Automated: Delivery of statements for the following products, etc.**
- **Businesses Impacted: Long Term Care, Life Insurance, etc.**

Success Metrics

- **Key Measures Identified (should at least include Program Y, the primary metric we are trying to improve)**
- **Current baseline metric**
- **Target metric to achieve by end of program**

Program Title

Major Deliverables

A deliverable is any measurable, tangible, verifiable outcome, result, or item that must be produced to complete a program or part of a program.
(Source PMI: PMBOK)

- Should include what the business will see as a result of this program or phase…functionality
- Also should include multi-generational planning information if program is being broken down in to different phases or generations
- Milestone date for each deliverable

Example includes:

- Base System in Production April '05
- 100,000 Policies Converted June '05

Change Driver

Some suggestions for here:

- Will this be make or buy
  - If Buy, <u>XX</u> % Customized
- New versus existing
- Software needs
- Hardware needs
- etc.

Takeaway – if any

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Program Title

| Role	Resource	Organization	% Time
Prog. Leader (Business)	name	(i.e. FSG, HQ, LTC)	
Prog. Leader (IT)	name	(i.e. FSG, HQ, LTC)	
Quality (MBB/BB)	name	(i.e. FSG, HQ, LTC)	
Compliance/Legal	name		
Database Administrator	name		
Technical Leader	name		
Developer	name	(i.e.GDC)	
Developer	name	(i.e.GDC)	
Developer	name	(i.e.GDC)	
Developer	name	(i.e.GDC)	
Developer	name	(i.e.GDC)	
System Administrator	name		
Architect	name		
Subject Matter Experts	name		
Finance Analyst			
etc.			

- **Proposed Contractor(s)/Supplier(s):**
  - Provide a list of names/vendors
- **Will the program use a Fixed Price Bid?**
  - Yes - include milestone dates for the e-RFP?
  - No – explain the plan to resource project
- **Program Impact**
  - Front, Middle and Back Room

Resource Summary

	#Full Time	# Part Time	Total	Budgeted	Unbudgeted
Genworth FTEs					
Consultants					
GDC Onshore					
GDC Offshore					
GENPACT					
Contractors					
Temps					
Total					

Takeaway – if any

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Cost Benefits Analysis (CBA)
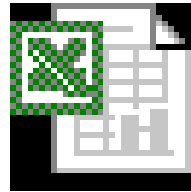
Microsoft Excel
Worksheet

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Major Program Review

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Schedule | Status: Y

Baseline Dates From PSC	Planned	Actual	Approved (y/n)	
xx/xx/xx	xx/xx/xx	xx/xx/xx		
xx/xx/xx	xx/xx/xx	xx/xx/xx		

Date Program Spend Committee Approved Project: xx/xx/xx

Program Place

Major Deliverables Accomplished

Major Tasks in Progress & Due Dates

Issues/Risks/Mitigants

Immediate Issues/Risks

Abatement

Long-term Issues/Risks

Benefits | Status: R | **Benefit Type:** Cost Reduction, Cost Avoidance, Incremental Revenue, Avoided Lost Business

Benefit Type ($MM)	Approved CBA	Current Plan	Variance	2006 Approved	2006 Current Plan
	$0.000	$0.000	$0.000	$0.000	$0.000
	$0.000	$0.000	$0.000	$0.000	$0.000
	$0.000	$0.000	$0.000	$0.000	$0.000
Total	$0.000	$0.000	$0.000	$0.000	$0.000

Benefit Cost Center & Owner: xxxx & John Doe

CAP

Key Stakeholders	*Mobilizing Commitment* H/ M/ L	*Actions*

Communication Plan

Audience	*Frequency*	*Forum*

Major Program Review

<Program Name>

Describe key deliverables from this phase/ gen of the program

Budget & Resources Reflect Data Through Month Ending: XX/XX/XX

Schedule

Baseline Dates

	From PSC	Planned	Actual	Approved?
Define	xx/xx/xx	xxx/xx/xx	xx/xx/xx	y/n
Measure	xx/xx/xx	xx/xx/xx		
Analyze	xx/xx/xx	xx/xx/xx		
Design	xx/xx/xx	xx/xx/xx		
Optimize	xx/xx/xx	xx/xx/xx		
Verify	xx/xx/xx	xx/xx/xx		

eRFP milestones: *Submit* ☐ *Review* ☐ *Approved* ☐ *P.O.* ☐ *Awarded* ☐

Program Place# XXXXX

		Dates	
	Approved	Planned	Actual
Deliverable			
Milestone			
Milestone			
Change in Deliverable Scope			
describe change, new requirements			
Deliverable			
Milestone			
Milestone			
Change in Deliverable Scope			
describe change, new requirements			
Deliverable			
Milestone			
Milestone			
Change in Deliverable Scope			
describe change, new requirements			

Budget

Status: G   Cost Center & Owner: **xxxx & John Doe**

$ MM		Spend to Date	Project Execution Costs
Budget At Completion	BAC		$5.000
Planned Cost	PC	$0.250	
Earned Value	EV	$0.200	
Actual Cost	AC	$0.260	
Estimate at Completion	EAC		$6.500

2006 Investment Incurred To-Date: $ **X.XX** MM
2006 Expense Incurred To-Date: $ **X.XX** MM

Resources

	# Full Time	#Part Time	# FTE
FTEs	XX	XX	XX
Consultants	XX	XX	XX
Onshore	XX	XX	XX
Offshore	XX	XX	XX
Part-time	XX	XX	XX
Contractors	XX	XX	XX
Temps	XX	XX	XX
TOTAL	**XX**	**XX**	**XX**

Issues/Risks

Immediate Issues/Risks   **Abatement Plans**

Long-term Issues/Risks

Businesses Impacted / Business Owners / Dates

xxxxx

Program Interdependencies

xxxxx

Program 360 Process

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Gather Materials

- **Charters and Project Frameworks**
- **Functional and Requirements Specifications**
- **Schedules**
- **Work Breakdown Structures**
- **Issue Logs**
- **Bug/problem Logs**
- **Enhancements or Change Request Logs**
- **Budgets and Costs to Date**
- **Cost Centers Being Utilized**

- **Team Organization Charts**
- **Business Organization Charts**
- **Application Service Levels / Metrics**
- **Communication Plans**
- **Last 2–3 Status Reports**
- **Last 2–3 Communications to Users**
- **Contracts**
- **Escalation Procedures**
- **Risk Assessments**

Do Your Homework

Conduct Interviews

- **Who Should (And Shouldn't) Participate**

- **Maintain Confidentiality**

- **Give Air-Time**

- **Sensitivity**

- **Body Language**

- **"Down A Rabbit Hole?"**

- **Key Thoughts And Phrases**

Interviews … Time Consuming, Big Dividends

Debrief Everybody

- **Forward Looking**

- **Positive**

- **Reinforce Accountabilities**

- **Clear Roadblocks**

- **Build Candid Culture**

	GE.F	GE.F	GE.F	GE.F	GE.F	GE.F	GE.F	GE.F	GE.F	GE.F	GE.IT	GE.IT	GE.IT	GE.IT	GE.IT	GE.IT	GE.IT	GE.IT	ACN.IT	ACN.IT	ACN.IT
Labor Risks																					
Project has a full-time functional leader and technical leader with appropriate experience	1	1	1	1	9	9	9	1	1	9	9	9	1	3	1	9	1	1	1	1	1
Project has senior executive support and an appropriate steering group.	1	1	9	1	1	1	1	1	1	9	1	1	1	1	1	1	1	1	3	1	
Organizational chart created with written roles, responsibilities, and decision authorities for the project team.	1	1	9	1	3	9	3	1	1	9	1	9	1	1	1	1	1	1	1	1	1
Appropriate resources, including qualified project team, firmly committed by all functional stakeholders for the entirety of the project.	9	1	9	9	9	9	1	1	9	9	9	1	1	9	9	1	9	9	9	9	
Business Risks																					
This entire project is fully funded and, if already commenced, on budget.	1	9	9	1	1	1	1	1	1	9	1	1	1	9	1	9	9	1	1	1	3
Project is currently on schedule.	9	9	9	1	9	9	1	1	9	9	9	9	9	9	1	9	9	9	9	9	9
Project cost, benefits, and scheduling agreed to by all functional stakeholders.	1	1	9	1	9	1	1	1	1	9	9	3	1	3	9	1	3	1	3	1	1
Committed project spend can be accurately tracked.	1	1	1	1	1	1	1	3	1	9		3	1	1	1	1	3	9	9	9	
Breakeven return on investment calculated... and is both realistic and acceptable.	1	1	9	1	3	1	1	1	1	9	9	9	1	1	1	3	3	1	3	1	3
Adoption Risks																					
Users/stakeholders communication plan spans project cycle.	1	1	9	1	1	1	1	1	1	1	1	9	1	1	1	1	1	1	1	1	1
This system impacts multiple business functions or locations.	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9
Many users will have access to this system.	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9
Impact on the headcount has been assessed.	1	1	9	1	1	1	1	1	1	1	1	3	1	3	1	1	1	1	3	1	1
Process Risks																					
Project follows a DMAIC or DFSS tollgate process, with a full-time BB/MBB.	1	1	9	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Weekly reviews by functional sponsor with functional / technical leaders, including all tollgates.	9	1	9	1	1	1	1	1	1	1	9	9	9	9	1	1	1	1	1	1	1
Key milestone dates set/agreed to by both the project team and functional stakeholders.	1	1	9	1	9	1	1	1	1	1	9	9	1	1	1	1	1	1	9	9	
Periodic outside, independent reviews of this project, with a report out to the functional sponsor.	9	9	1	9	9	9	9	1	1	9	9	9	9	9	1	1	9	1	1	9	
Clear procedure exists for approval of project scope change.	1	1	9	1	1	1	1	1	1	1	9	9	9	1	1	1	1	1	1	1	1
Technical Risks																					
Design requirements are clearly documented and frozen.	9	1	9	1	9	1	1	1	9	9	9	9	9	1	9	9	1	1	9	9	9
All necessary technologies for this project are in place for the team's use.	9	1	9	1	9	1	1	1	1	9	1	9	1	1	1	1	1	1	1	1	1
Make vs. Buy assessment has been performed.	1	1	9	1	1	1	1	1	1	9	1	1	1	1	1	1	1	1	1	1	1
This is a new or pre-production release of a technology.	3	9	3	9	1	9	1	9	1	9	9	3	1	3	1	1	1	9	1	1	
Project will require customization of packaged software.	9	9	9	9	9	9	9	9	9	9	9	9	1	9	9	3	9	3	9		
This project digitizes a simple process, and requires few interfaces to other systems.	9	9	9	9	9	1	9	1	9	9		9	9	9	9	9	1	9	9	9	
External Risks																					
This project involves working with multiple external vendors.	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9
Application approved by business Security Officer, Privacy Officer and Legal Review (esp. Licensing Rights & Obligations).	9	1	9	1	1	1	1	1	1	1	1	9	1	1	1	1	1	1	9	9	
Third party services on fixed-price contract. (If you are not contracting third party resources for this project... click: Yes).	1	9	9	1	1	1	1	9	1	9	1	1	9	1	1	9	9	9	9	1	
Supplier viability is strong and GE/my business has successfully worked with the selected vendor(s) before.	9	3	9	1	1	1	9	3	3	9	3	9	9	9	1	3	9	1	1	3	3
Success of this project depends on outcome of other parallel projects at business.	1	1	3	9	1	1	3	3	1	3	1	1	1	1	9	1	1	1	3	1	1

Surface Issues for Further Exploration In Interviews

Operations/Benefits Review

Template
February 2006

xxxxx

Current Date: xx/xx/xx   *Program Place:* Child #xxx (Parent #xxx)

Schedule

		Program Spend Committee Approved	Actual
Define	Feasibility	xx/xx/xx	xx/xx/xx
Measure	Initiation		
Analyze	Design		
Design	Build/Test		
Optimize	Implement		
Verify	Close		

Comments

- Highlight major reasons for variance
- continue…..

Success Performance Metrics

Key Performance Metrics

- Predicted vs. Actual Performance Results
- examples include: adoption metrics, process sigma, project Y, etc.

Financials

Cost	Total Approved CBA	Total Current Plan	Variance	2006 Approved	2006 Current Plan
Investment	$0.000	$0.000	$0.000	$0.000	$0.000
Program Exp	$0.000	$0.000	$0.000	$0.000	$0.000
Gennworth Int C&B	$0.000	$0.000	$0.000	$0.000	$0.000
Total Spend	$0.000	$0.000	$0.000	$0.000	$0.000

$MM	Approved CBA	Actual	Variance
Program Cost	$0.000	$0.000	$0.000
Annual RTS Cost	$0.000	$0.000	$0.000
Total	$0.000	$0.000	$0.000

Comments

- Highlight major reasons for variance
- continue…..

Cost Center & Owner: xxxx & John Doe

Benefits

Benefit Type: Cost Reduction, Cost Avoidance, Incremental Revenue, Avoided Lost Business

Benefit Type ($MM)	Total Approved CBA	Total Current Plan	Variance	2006 Approved	2006 Current Plan
	$0.000	$0.000	$0.000	$0.000	$0.000
	$0.000	$0.000	$0.000	$0.000	$0.000
	$0.000	$0.000	$0.000	$0.000	$0.000
Total	$0.000	$0.000	$0.000	$0.000	$0.000

Comments

- Highlight major reasons for variance
- continue…..

FTE Reduction & Timing: _____

Cost Center & Owner: xxxx & John Doe (Please identify the name of the responsible individual tracking and reporting benefit savings)

Best Practices

List Best Practice Information for the Program. Give consideration to:

• Methodology Utilized

• Tool Utilization – Project Mgmt & Quality

• Team Structures

• Review Structure & Frequency

• Any other Applicable Recommendations

Lessons Learned

List Lessons Learned Information for the Program. Give consideration to:

• Timelines & Estimation Assumptions

• Contract Negotiations & Signing

• Team Structures

• Review Structure & Frequency

• Issue Tracking & Escalation

• Any other Applicable Reflections

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Ops Benefit Review Approval / Sign-Off

*Program Name:*_____

Decision of Review Committee

☐   Approved as-is

☐   Approved with comments, another review is <u>not</u> required

☐   Not Approved, another review is required

We have reviewed and approved following deviations.

Schedule   _____

Cost   _____

Benefit   _____

Program Leader(s)   _____   Business CFO   _____

Senior Leader   _____   President & CEO   _____

Program Spend   (if applicable)
Committee   _____

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